

**BDAC FINANCE WORK GROUP**  
**Meeting Summary**  
**September 30, 1998**

**Attending:**

|                   |                         |                   |                        |
|-------------------|-------------------------|-------------------|------------------------|
| Hari Modi         | NCPA                    | Eric Hasseltine   | BDAC                   |
| Bill DuBois       | Calif Farm Bureau Fed   | Brice Bledsoe     | CVPWA                  |
| Craig Stroh       | USBR                    | Randall Neudeck   | MWD                    |
| Zach McReynolds   | Western Water Company   | Wendy Illingworth | Foster Associates, Inc |
| Lora Steere       | EBMUD                   | Dean McLeod       | USACE                  |
| John Jordan       | USACE                   | Steve Ritchie     | CALFED                 |
| Anthony Barkett   | SEWD                    | Kathy Mannion     | WGA                    |
| Roberta Borgonovo | LWVC/BDAC               | Byron Buck        | CVWA                   |
| Dennis O'Connor   | Calif. Research Bureau  | Chris LaFranchi   | independent            |
| George Woodward   | UCB                     | Mike Myatt        | CALFED                 |
| Doug Haoland      | Senate CALFED Committee | Julia Maclay      | San Diego CWA          |

**Brief Summary:**

The group went over the new Draft Financing Plan. Some of the issues that were raised included:

- Re: Crediting, the Work Group generally agreed that credit should be given for CVPIA Restoration fund money spent on CALFED actions after the signing of the Bay-Delta Accord. There was disagreement over whether the crediting policy should also apply to water given up from the CVPIA and the Accord, and some question over other actions that may or may not be given credit (such as money spent on Conservation and Recycling efforts).
- Re: Fish Screens, the question was raised whether fish screens were considered a benefit or mitigation. It was pointed out that this decision would have impacts on the cost share for fish screens.
- Re: Financial Baseline, Roberta Borgonovo strongly disagreed with the idea to leave the door open for the possibility of some public funding for the ecosystem portion of storage.
- Re: User fees, it was questioned whether or not it would be possible to resolve all of the specifics surrounding user fees prior to the R.O.D., as was implied in the Draft Financing Plan.

- Re: Water transfers, there was general consensus that \$20 mill/year to obtain water for the environment would not negatively alter/distort the water market. However, the issue was raised that perhaps during dry years the market could be distorted if money was available to purchase water for the environment with virtually no cap on what price could be paid for the water. Eric Hasseltine expressed concern that it doesn't make sense to be opposed to new storage, with a portion of storage for the environment, yet be in favor of spending \$20 million/year for a water market. If the objective is more water for the ecosystem, then obtaining that water through the most cost-effective means should be the goal.
- Re: Area of origin rights, the issue was raised that area of origin rights need to be taken into consideration and possibly added to the Needs of Affected Parties section.
- Re: Water rights, the question was asked whether or not pre-1914 water rights would be taken into account in the financing plan. The decision had been made previously by the Work Group to do a first-cut cost allocation before taking into account the specifics surrounding water rights and ability to pay.
- Re: Program cost estimates, Steve Ritchie went over the tables for each program area and answered questions about the assumptions and methods used to obtain the numbers. It was suggested that if someone questions the numbers (i.e., claims they are too high or too low) for specific program areas or actions, it would be helpful to CALFED staff if these arguments were backed up with specifics as to what the numbers should be, and why. The same applies to cost shares for the program.